



REPLY TO  
ATTENTION OF

**DEPARTMENT OF THE ARMY**  
**U.S. ARMY CONTRACTING AGENCY SOUTHERN REGION HEADQUARTERS**  
**1301 ANDERSON WAY SW.**  
**BUILDING 130**  
**FORT MCPHERSON GEORGIA 30330-1096**

SFCA-SR-COD

11 March 2003

MEMORANDUM FOR Army Contracting Agency, Southern Region Installations

SUBJECT: South Region Implementation Memorandum (SRIM) 03 – 07, Source Selection Authority (SSA) Briefing and Qualitative Basis of Award Statement

1. The purpose of this SRIM is twofold: 1) provide a SSA Briefing example that is based upon an evaluation process that includes Adjectival Ratings and Color Codes; and 2) provide an example of a Qualitative Basis of Award Statement that utilizes priority statements to define the relative importance of the evaluation factors and subfactors.
2. The SSA briefing example is found at the enclosure to this SRIM. This briefing uses Adjectival Ratings supported by Color Coding to visually display proposal ratings by the relative importance of each evaluation factor and subfactor. It also provides a clear portrayal of the “merits” of each proposal as the strengths, weaknesses, and deficiencies are listed along with the Adjectival Rating (and Color Code) of each evaluation factor. This example also illustrates an accurate and detailed basis for “discriminating” between proposals.
3. The Basis of Award Statement establishes the relative importance of the evaluation factors. An example of a Basis of Award Statement using priority statements is provided below.

*The Technical Factor is somewhat more important than the Past Performance and Cost Factors combined. The Past Performance Factor is slightly more important than the Cost Factor. When combined, the Technical and Past Performance Factors are significantly more important than the Cost Factor. Where the selection official reasonably regards proposals as being essentially equal with respect to the Technical and Past Performance Factors, Cost can become the determining factor in making the award. To receive consideration for award, a rating of no less than “Acceptable” must be achieved for the Technical Factor<sup>1</sup>.*

(Note: Slide Number 7 of the enclosed example SSA briefing presents a visual display of this Basis of Award Statement. This statement is provided as just an example, and it can be tailored to accommodate the circumstances surrounding any particular acquisition requirement. A Quality Factor can replace the Technical Factor in this example, or a Price Factor can replace the Cost Factor. Further, the relative importance of the evaluation factors can be

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<sup>1</sup> This qualifier statement can be made applicable to other non-cost evaluation factors. For example, this statement could have been altered to include the Past Performance Factor as well.

SFCA-SR-COD

Subject: South Region Implementation Memorandum (SRIM) 03 – 07, Source Selection Authority (SSA) Briefing and Qualitative Basis of Award Statement

altered to reflect the acquisition circumstances (e.g., increase the relative importance of the Price Factor in support of firm-fixed-price requirements).

4. The relative order of importance must be established for all evaluation subfactors as well. This is also accomplished by using priority statements. The sample briefing establishes the relative importance of the subfactors found under the Technical Factor described in Paragraph 3.

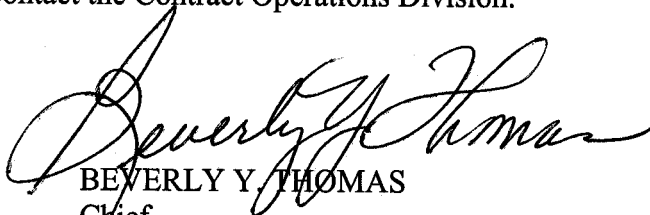
*The Technical Approach Subfactor is somewhat more important than either the Technical Resources or Quality Management Subfactors. The Technical Resources and Quality Management Subfactors are of equal importance and together are slightly more important than the Technical Approach Subfactor.*

(Note: Slide Number 8 of the enclosed sample SSA briefing presents a visual display the relative importance of these subfactors.)

5. Using priority statements to define the relative importance of the evaluation factors and subfactors works best when these evaluation factors are limited to those that are true proposal discriminators. FAR 15.304 clearly states “evaluation factors must (1) Represent key areas of importance and emphasis to be considered in the source selection decision; and, (2) Support meaningful comparison and discrimination between and among competing proposals.” The intent of this FAR narrative can be rephrased as follows: If an evaluation factor or subfactor cannot surface proposal “merits” that have value enough to warrant the payment of a meaningful cost/price premium, do not use this factor or subfactor within the solicitation. To further streamline the amount of evaluation factors, evaluate both Past Performance and Cost at the factor level without the use of subfactors.

6. For additional information, please contact the Contract Operations Division.

Encl  
as

  
BEVERLY Y. THOMAS  
Chief  
Contract Operations Division  
Army Contracting Agency, Southern Region



# **Source Selection Authority Briefing**

**{Program Name}**

**{Solicitation Number}**

**{Date}**

***Source Selection Information***  
***(See FAR 3.104)***





# Agenda

- Purpose
- Acquisition Background
- Source Selection Organization
- Milestone Schedule
- Proposal Merit Rating Definitions / Color Codes
- Evaluation Terms
- Basis of Award

- Subfactors Relative Importance
- Overall Factor Evaluation Summary
- Evaluation Results
  - Technical
  - Past Performance
  - Cost
- Evaluation Summary
- Conclusion: Approve Competitive Range or Make Best Value Selection





## Purpose

- To obtain the Source Selection Authority's approval on the establishment of Competitive Range



- To obtain the Source Selection Authority's decision on the selection of the “Best Value” Offer

Note: The purpose of Slide Presentation can be altered to support evaluation of the Technical Performance Plan (TPP) and pre/post award debriefings.





# **Acquisition Background**

- Discuss the Acquisition Background...
  - What is the requirement...What type of contract...How long is the effort...Any options...Any special contract requirements (Incentives, Economic Price Adjustment Clause, etc.)...Any special circumstances (e.g., The original solicitation was restricted to small businesses, however, it was cancelled because no proposals were received)...How many proposals were received...If this is a decision brief, how many proposals were included within the competitive range

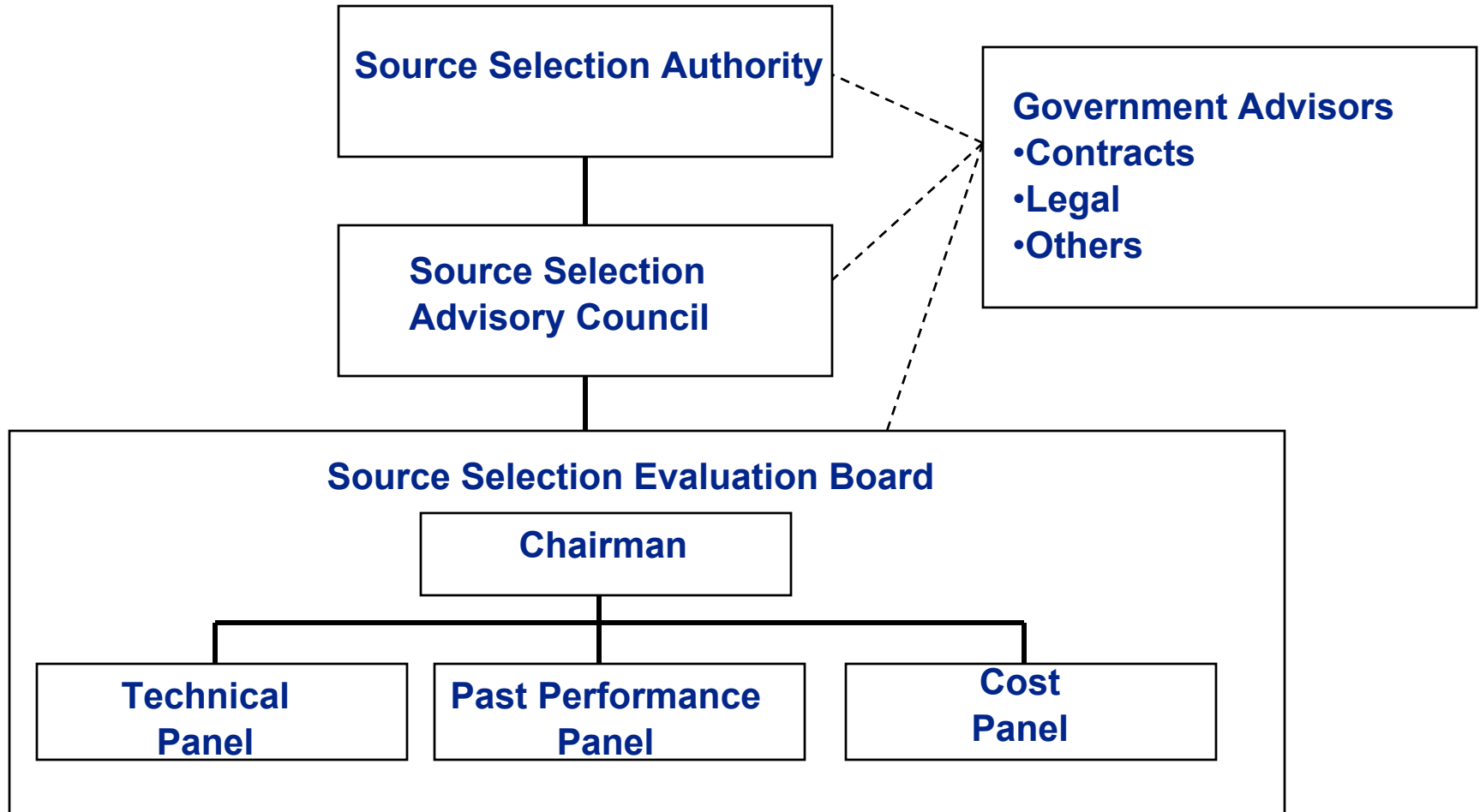
## **For Example**

- This is an Office of Management Budget (OMB) A-76 generated effort in support of Fort Hippy's Public Work Business Center (PWBC) commercial activity requirement. The solicitation contains a contractual effort of one base year with four one year option periods. The total contractual effort will last no more than five years. The solicitation effort is based upon a Cost Plus Award Fee (CPAF) type contract. The best value selected proposal will be used to conduct a cost comparison against the Government's offer. Contract award will only be made upon the determination that the best value selected proposal is the most cost effective offer. The solicitation was issued on 1 January 2002. On 15 February 2002, three proposals were received. No amendments were issued during this solicitation period.





# Source Selection Organization





# **Milestone Schedule**

<b><u>Action</u></b>	<b><u>Date</u></b>	<b><u>Status/Remarks</u></b>
Issue Solicitation		
Proposals Received		
Evaluate Initial Proposals		
SSAC/SSA Competitive Range Briefings		
POM Approval		
Discussions		
Receipt of Revised Proposal		
Evaluate Revised Proposals		
SSAC/SSA Best Value Decision Briefings		
Evaluate TPP vs. Solicitation		
Evaluate TPP vs. Best Value Offer		
SSAC/SSA TPP Determination		
Initial Decision		



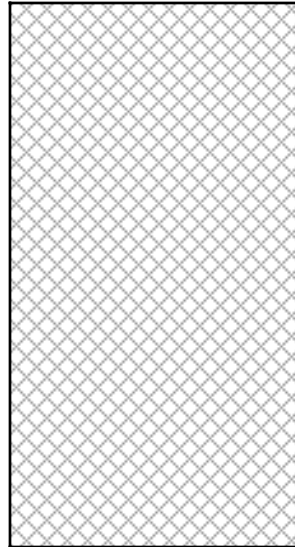




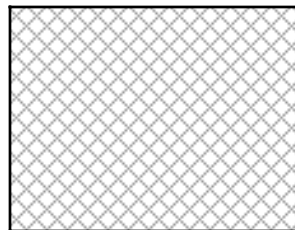
U.S. Army Contracting Agency

# Basis of Award

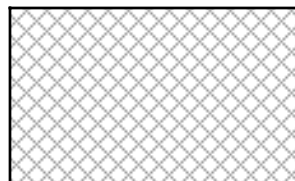
## Evaluation Factors



Technical Factor



Past Performance Factor



Cost Factor

Visual Display

Part of Section M

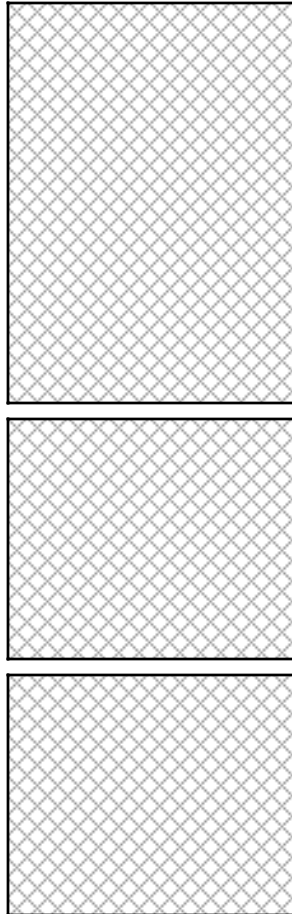
- Basis of Award using Priority Statements
  - The Technical Factor is **somewhat more important** than the Past Performance and Cost Factors combined.
  - The Past Performance Factor is **slightly more important** than the Cost Factor.
  - When combined, the Technical and Past Performance Factors are **significantly more important** than the Cost Factor.
  - Where the selection official reasonably regards proposals as being essentially equal with respect to the Technical and Past Performance Factors, Cost can become the determining factor in making the award.
  - To receive consideration for award, a rating of no less than “acceptable” must be achieved for the Technical Factor.





# Subfactors Relative Importance

## Technical Factor



Technical Approach

Technical Resources

Quality Management

- The Technical Approach Subfactor is **somewhat more important** than either the Technical Resources or Quality Management Subfactors.
- The Technical Resources and Quality Management Subfactors are of **equal importance** and together are **slightly more important** than the Technical Approach Subfactor.
- Note: There are no subfactors for the Past Performance or Cost. Past Performance is evaluated at the factor level. A MPCE constitutes the evaluation results for the Cost Factor.





## Proposal Merit Rating Scale – Adjectival and Color Coding

ADJECTIVAL	COLOR	DEFINITION
Excellent	Blue	Offers one or more strengths, which significantly outweigh any weaknesses, and has a very good probability of success with overall low degree of risk in meeting the Government's requirements.
Good	Green	Offers one or more strengths, which outweigh any weaknesses, and has a good probability of success with overall low to moderate degree of risk in meeting the Government's requirements.
Acceptable	Yellow	Any strengths are offset by weaknesses, and has a fair probability of success with overall moderate to high degree of risk in meeting the Government's requirements.
Susceptible to Being Made Acceptable	Pink	A proposal that contains errors, omissions or deficiencies, which are capable of being corrected without a major rewrite or revision of the proposal, and has a high degree of risk in meeting the Government's requirements.
Unsatisfactory	Red	A proposal which contains major errors, omissions or deficiencies, or an unacceptably high degree of risk in meeting the Government's requirements; and these conditions cannot be corrected without a major rewrite or revision of the proposal.

Example

Part of SSP -  
Evaluation Factors Other  
Than Past Performance

✓ Proposal Risk Incorporated within Definition





## Proposal Merit Rating Scale - Assessment of Performance Risk (Past Performance)

**Example**  
Part of SSP -  
Past Performance  
Factor

ADJECTIVAL	COLOR	DESCRIPTION
Exceptional/ Very Low Risk	Blue	Based on the offeror's performance record, <b>essentially no doubt</b> exists that the offeror will successfully perform the required effort. Past performance has met contractual requirements and has exceeded some to the Government's benefit. Contractual performance was accomplished with few minor problems for which corrective action(s) taken by the contractor were highly effective.
Very Good/ Low Risk	Green	Based on the offeror's performance record, <b>little doubt</b> exists that the offeror will successfully perform the required effort. Past performance has met contractual requirements and has exceeded some to the Government's benefit. Contractual performance was accomplished with some minor problem(s) for which corrective action(s) taken by the contractor were effective.
Satisfactory/ Moderate Risk	Yellow	Based on the offeror's performance record, <b>some doubt</b> exists that the offeror will successfully perform the required effort. Past performance has met contractual requirements. Contractual performance contains some minor problem(s) for which corrective action(s) taken by the contractor appear or were satisfactory.
Marginal/ High Risk	Pink	Based on the offeror's performance record, <b>substantial doubt</b> exists that the offeror will successfully perform the required effort. Past performance has not met some contractual requirements. Contractual performance reflects a serious problem for which either the contractor has not yet identified corrective action(s), or the proposed corrective action(s) appear only marginally effective or were not fully implemented.
Unsatisfactory/ Very High Risk	Red	Based on the offeror's performance record, <b>extreme doubt</b> exists that the offeror will successfully perform the required effort. Past performance has not met most contractual requirements, and recovery did not occur or was not in a timely manner. Contractual performance contains serious problem(s) for which the contractor's corrective action(s) appear or were ineffective.
Unknown Risk	White	No performance record identifiable.





# Evaluation Terms

Part of Section M & SSP

- **Deficiency** -- A material failure of a proposal to meet a Government requirement or a combination of significant weaknesses in a proposal that increases the risk of unsuccessful contract performance to an unacceptable level. Examples of deficiencies include a statement by the offeror that it cannot or will not meet a requirement, an approach that clearly does not meet a requirement, or omission of data required to assess compliance with the requirement.
- **Strength** – An aspect of a proposal that decreases the risk of unsuccessful contract performance or that represents a benefit to the Government. A “significant strength” in the proposal is an aspect that appreciably decreases the risk of contract performance or that represents a significant benefit to the Government.
- **Weakness** – A flaw in the proposal that increases the risk of unsuccessful contract performance. A “significant weakness” in the proposal is a flaw that appreciably increases the risk of unsuccessful contract performance.





# Overall Factor Evaluation Results

	Offeror A	Offeror B	Offeror C
Technical	Acceptable	Unacceptable	Very Good
Past Performance	Marginal/ High Risk	Satisfactory/ Moderate Risk	Exceptional/ Very Low Risk
Cost Factor	MPCE 54.5 Million	MPCE 69.2 Million	MPCE 57.9 Million

- Basis of Award
- The Technical Factor is **somewhat more important** than the Past Performance and Cost Factors combined.
- The Past Performance Factor is **slightly more important** than the Cost Factor.
- When combined, the Technical and Past Performance Factors are **significantly more important** than the Cost Factor.
- Where the selection official reasonably regards proposals as being essentially equal with respect to the Technical and Past Performance Factors, Cost can become the determining factor in making the award.
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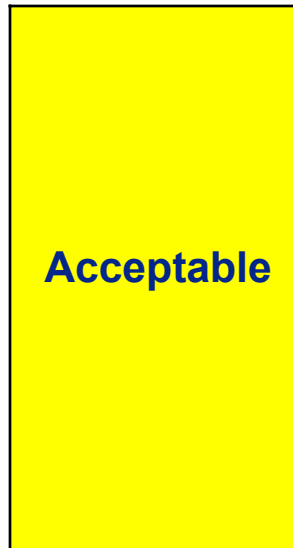






## Technical Factor

Offeror A



Offeror B



Offeror C



Technical Factor Evaluation Summary:

**Provide a Brief Narrative Summary of  
the Factor Evaluation Results**





## Evaluation Results - Technical Subfactors

Offeror A

Offeror B

Offeror C

Technical  
Approach

Acceptable

Unacceptable

Very Good

Technical  
Resources

Acceptable

Unacceptable

Very Good

Quality  
Management

Very Good

Susceptible

Acceptable

- Relative Importance
- The Technical Approach Subfactor is **somewhat more important** than either the Technical Resources or Quality Management Subfactors.
- The Technical Resources and Quality Management Subfactors are of **equal importance** and together are **slightly more important** than the Technical Approach Subfactor.







## Technical Subfactors – Offeror A Evaluation Results

<b>Technical Approach</b>  <b>Acceptable</b>	<b>Strengths</b> <ul style="list-style-type: none"><li>• Utilizes a mobile hand-held computers to document the results of equipment maintenance</li><li>• Accomplished all Technical Scenarios by implementing “best commercial” practices and concepts</li></ul>	<b>Weaknesses</b> <ul style="list-style-type: none"><li>• Insufficient detail to determine level of cross utilization for equipment and personnel</li></ul> <p><i>Example Results</i></p>	<b>Deficiencies</b> <ul style="list-style-type: none"><li>• None</li></ul>
<b>Technical Resources</b>  <b>Acceptable</b>	<ul style="list-style-type: none"><li>• Addressed management approach to handle contingencies</li><li>• All key personnel proposed exceed minimum educational or experiences levels</li></ul>	<ul style="list-style-type: none"><li>• A “stove pipe” approach to management limits flexibility to efficiently solve problems</li><li>• Management Plan contains no personnel benefits and retention program</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
<b>Quality Management</b>  <b>Very Good</b>	<ul style="list-style-type: none"><li>• Fully Developed Quality Management Program at all organizational levels</li><li>• QC proposal in compliance with ISO 9002 Standards</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>	<ul style="list-style-type: none"><li>• One QA evaluator lacks the necessary level of experience as required by the solicitation</li></ul>





## Technical Subfactors – Offeror B Evaluation Results

<b>Technical Approach</b>  Unacceptable	<b>Strengths</b>	<b>Weaknesses</b>	<b>Deficiencies</b>
<b>Technical Resources</b>  Unacceptable	List Evaluation Results Under Appropriate Category to Support the Rating		
<b>Quality Management</b>  Susceptible			





## Technical Subfactors – Offeror C Evaluation Results

<b>Technical Approach</b>  <b>Very Good</b>	<b>Strengths</b>	<b>Weaknesses</b>	<b>Deficiencies</b>
<b>Technical Resources</b>  <b>Very Good</b>			
<b>Quality Management</b>  <b>Acceptable</b>			

List Evaluation Results  
Under Appropriate  
Category to Support  
the Rating





## Past Performance Factor

Offeror A

Marginal/  
High Risk

Offeror B

Satisfactory  
Moderate Risk

Offeror C

Exceptional/  
Very Low Risk

Note: There are no subfactors for the Past Performance.

Note: Past Performance is evaluated at the factor level.

Past Performance Factor Evaluation Summary:

Provide a Brief Narrative Summary of  
the Factor Evaluation Results





# Past Performance Factor – Offeror A

Strengths

Weaknesses

Deficiencies

Past  
Performance  
Marginal/  
High Risk

List Evaluation Results  
Under Appropriate  
Category to Support  
the Rating





# Past Performance Factor – Offeror B

Past  
Performance  
Satisfactory/  
Moderate Risk

Strengths	Weaknesses	Deficiencies
<p>List Evaluation Results Under Appropriate Category to Support the Rating</p>		





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## Past Performance Factor – Offeror C

**Strengths**

**Weaknesses**

**Deficiencies**

Past  
Performance  
Exceptional/  
Low Risk

List Evaluation Results  
Under Appropriate  
Category to Support  
the Rating





## Cost Factor

	Offeror A	Offeror B	Offeror C
Proposed	51.5 Million	60.0 Million	55.2 Million
Evaluated	MPCE 54.5 Million	MPCE 69.2 Million	MPCE 57.9 Million
IGE	50.5 Million	50.5 Million	50.5 Million

Note: There are no subfactors for Cost.

A MPCE constitutes the evaluation results for the Cost Factor.







## Cost Factor

Offeror A

MPCE

54.5 Million

Offeror B

MPCE

69.2 Million

Offeror C

MPCE

57.9 Million

MPCE Explanation

MPCE Explanation

MPCE Explanation

Most explanations will correlate with the risks identified under the Technical Evaluation Factor.  
Explanations may describe other cost proposal problems (e.g., Base Fee beyond regulatory limits).

Note: The Cost Factor can be replaced by a Price Factor.  
Accordingly, a Total Evaluated Price Figure would then be used instead of a MPCE.





# Evaluation Summary

	Offeror A	Offeror B	Offeror C
Technical	Acceptable	Unacceptable	Very Good
Past Performance	Marginal/ High Risk	Satisfactory/ Moderate Risk	Exceptional/ Low Risk
Cost Factor	MPCE 54.5 Million	MPCE 69.2 Million	MPCE 57.9 Million

- Basis of Award
- The Technical Factor is **somewhat more important** than the Past Performance and Cost Factors combined.
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- To receive consideration for award, a rating of no less than “acceptable” must be achieved for the Technical Factor.





# Conclusion

- **The Source Selection Authority's approval on the establishment of Competitive Range**

- 5115.306 -- Exchanges With Offerors After Receipt of Proposals.

(c) *Competitive Range*. The SSA must approve the competitive range determination.



- **The Source Selection Authority's decision on the selection of the “Best Value” Offer**

- Note: AFARS 5115.101 -- Best Value Continuum. The SSA, independently exercising prudent business judgment, arrives at a Source Selection Decision based on the offeror(s) who proffers the best value to the Government. *The SSA shall not receive a recommendation from any individual or body as to whom shall receive the award and additionally shall not receive a rank order or order of merit list pertaining to the offers being evaluated.*





# Appendix A: Evaluation Terms

Another example of Evaluation Terms - These

Terms can be used instead

of the definitions found on Slide 9

- **Strength.** Any aspect of a proposal which, when judged against a stated evaluation criterion, enhances the merit of the proposal or increases the probability of successful performance of the contract.
- **Weakness.** Any aspect of a proposal which, when judged against a stated evaluation criterion, reduces the merit of the proposal or decreases the probability of successful performance of the contract.
- **Deficiency.** Any aspect of a proposal which fails to meet a solicitation requirement.
- **Meets the Requirements of the Solicitation.** A proposal which has no deficiency(s) or significant deficiency(s).
- **Significant.** This term has the normally accepted dictionary meaning – important; of consequence.





## Appendix B: Proposal Risk

Sample Proposal Risk Rating Scale

(used when you assess risk separately from proposal merit) - This

Scale can be used instead

of the one found on Slide 7

ADJECTIVAL	DESCRIPTION
Low Risk	Any proposal weaknesses have little potential to cause disruption of schedule, increase in cost, or degradation of performance. Normal contractor effort and normal Government monitoring will probably minimize any difficulties.
Moderate Risk	Approach has weaknesses that can potentially cause some disruption of schedule, increase in cost, or degradation of performance. However, special contractor emphasis and close Government monitoring will probably minimize difficulties.
High Risk	Approach has weaknesses that have the potential to cause serious disruption of schedule, increase in cost, or degradation of performance even with special contractor emphasis and close Government monitoring





## Appendix B (cont.): Proposal Risk

Sample Proposal Merit Rating Scale

(with Risk Rated by a Separate Rating Scale)

*This Scale can be used instead of the one found on Slide 8*

ADJECTIVAL	COLOR	DEFINITION
Excellent	Dark Blue	Proposal demonstrates excellent understanding of requirements and approach that significantly exceeds performance or capability standards. Has exceptional strengths that will significantly benefit the Government.
Good	Green	Proposal demonstrates good understanding of requirements and approach that exceeds performance or capability standards. Has one or more strengths that will benefit the Government.
Satisfactory	Yellow	Proposal demonstrates acceptable understanding of requirements and approach that meets performance or capability standards. Acceptable solution. Few or no strengths.
Marginal	Pink	Proposal demonstrates shallow understanding of requirements and approach that only marginally meets performance or capability standards necessary for minimal but acceptable contract performance.
Unsatisfactory	Red	Fails to meet performance or capability standards. Requirements can only be met with major changes to the proposal.

